

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**September 29, 2021**

Corazón del Valle Commons, located at 12th Street and Fresno Street in Huron, requested and is being recommended for a reservation of \$1,959,193 in annual federal tax credits to finance the new construction of 60 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by the Housing Authority of Fresno County and will be located in Senate District 12 and Assembly District 31.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the MHP program of HCD.

**Project Number** CA-21-099

**Project Name** Corazón del Valle Commons

Site Address: Southwest and Southeast Corners of 12th Street and Fresno Street  
Huron, CA 93234 County: Fresno

Census Tract: 78.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual *</b>	<b>State/Total</b>
Requested:	\$1,959,193	\$0
Recommended:	\$1,959,193	\$0

\* Consolidated Appropriations Act, 2021 (CAA) Federal Credits

**Applicant Information**

Applicant: Silvercrest, Inc.  
Contact: Angelina Nguyen  
Address: 1331 Fulton Street  
Fresno, CA 93721  
Phone: 559-443-8439  
Email: [anguyen@fresnohousing.org](mailto:anguyen@fresnohousing.org)

General Partner(s) / Principal Owner(s): Huron Corazón del Valle Commons AGP, LLC  
Silvercrest, Inc.

General Partner Type: Joint Venture

Parent Company(ies): Housing Authority of Fresno County, CA

Developer: Housing Authority of Fresno County, CA

Investor/Consultant: California Housing Partnership

Management Agent(s): Fresno Housing Authority

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 9  
 Total # of Units: 61  
 No. & % of Tax Credit Units: 60 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Vouchers (40 units - 67%)

**Information**

Set-Aside: N/A  
 Housing Type: Large Family  
 Geographic Area: Central Valley Region  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 29	45%
At or Below 40% AMI: 14	20%
At or Below 50% AMI: 11	15%
At or Below 60% AMI: 6	10%

**Unit Mix**

10 1-Bedroom Units  
 24 2-Bedroom Units  
 17 3-BedroomUnits  
 10 4-Bedroom Units  


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 61 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$392
10 2 Bedrooms	30%	\$471
8 3 Bedrooms	30%	\$543
6 4 Bedrooms	30%	\$606
2 1 Bedroom	40%	\$523
8 2 Bedrooms	40%	\$628
4 3 Bedrooms	40%	\$725
2 1 Bedroom	50%	\$653
6 2 Bedrooms	50%	\$785
1 3 Bedrooms	50%	\$906
2 4 Bedrooms	50%	\$1,011
1 1 Bedroom	60%	\$784
3 3 Bedrooms	60%	\$1,087
2 4 Bedrooms	60%	\$1,213
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,867,014
Construction Costs	\$23,487,461
Rehabilitation Costs	\$0
Construction Contingency	\$1,416,023
Relocation	\$121,495
Architectural/Engineering	\$1,088,598
Const. Interest, Perm. Financing	\$1,798,859
Legal Fees	\$53,458
Reserves	\$574,379
Other Costs	\$1,326,815
Developer Fee	\$2,200,000
Commercial Costs	\$1,106,583
<b>Total</b>	<b>\$35,040,685</b>

**Residential**

Construction Cost Per Square Foot:	\$343
Per Unit Cost:	\$555,286
True Cash Per Unit Cost*:	\$527,477

**Construction Financing**

Source	Amount
US Bank	\$27,079,684
Fresno Housing Authority Capital	\$2,500,000
Impact Fee Waiver	\$460,840
Seller Carryback	\$1,294,000
Deferred Costs	\$2,112,654
Tax Credit Equity	\$1,593,507

**Permanent Financing**

Source	Amount
US Bank	\$2,102,000
Fresno Housing Authority Capital	\$2,500,000
HCD MHP	\$11,398,771
Impact Fee Waiver	\$460,840
Seller Carryback	\$1,294,000
Tax Credit Equity	\$17,285,074
<b>TOTAL</b>	<b>\$35,040,685</b>

\*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,745,239
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,768,811
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,959,193
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,138,319
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.88225

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Disaster Credit Tie Breaker Information**

First: No  
Second: Yes  
Third: \$24,039.18

**Significant Information / Additional Conditions**

Staff noted a per unit cost of \$527,477. The applicant noted that the high per unit cost is attributed to soil conditions, off-site improvements required by the City as a condition of approval, and both federal and state prevailing wage requirements. The project also has funding which requires a higher transition reserve and a commercial component.

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-21-099 must be completed as part of the Placed in Service package.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, City of Huron, has completed a site review of this project and strongly supports this project.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ¼ mile of a neighborhood market of at least 5,000 sf	4	4	4
Within ¼ mile of a public elementary school	3	3	0
Within ¾ mile of a public elementary school	2	0	2
Within ½ mile of medical clinic or hospital	3	3	3
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**